



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 04/24/01

AGENDA ITEM 2

WORK SESSION ITEM           

**TO:** Mayor and City Council

**FROM:** Personnel and Employee Relations Director

**SUBJECT:** Authorization of Execution of an Agreement for Workers' Compensation  
Claims Administration Services

**RECOMMENDATION:**

It is recommended that Council adopt the attached resolution authorizing the City Manager to execute a three-year agreement for workers' compensation claims administration services with Innovation Claim Solutions, Inc.

**BACKGROUND:**

The City of Hayward is self-insured for workers' compensation claims, and uses the services of a third party to provide claims administration, legal services, and statistical analysis of claims and costs. The City's current agreement with EOS Claims Services, Inc. expires on June 30, 2001.

With the expiration of the current agreement approaching, a Request For Proposal was issued and responses from nine (9) firms were received. The proposals were reviewed by staff from various departments. The evaluation of the firms consisted of a review of the written proposals, oral presentations, reference checks, and on-site visits.

ICS was identified as the most qualified firm to administer the City's claims. ICS is located in the Bay Area, and provides claims administration services for several local cities, including Fremont, Berkeley, Livermore, and Mountain View, and the Livermore/Pleasanton Fire District. Reference checks with these agencies resulted in positive feedback, including comments that through enhanced communication with injured workers, medical providers and legal counsel, ICS was able to contain costs. By managing litigation expense, closing claims in a timely manner, careful monitoring of medical treatment, and ultimately reducing permanent disability ratings, agencies reported cost reductions, and improved employee satisfaction.

Over the three year period of the agreement, the fee will range from \$198,000 to \$205,000 per year. The cost of this contract will be borne by the workers' compensation fund.

Prepared and Recommended by:

Beth Perrin-Scales  
Beth Perrin-Scales, Personnel and  
Employee Relations Director

Approved by:

Jesús Armas  
Jesús Armas, City Manager

**DRAFT**

HAYWARD CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY MANAGER TO  
EXECUTE AN AGREEMENT WITH INNOVATION CLAIM  
SOLUTIONS, INC. FOR WORKERS' COMPENSATION  
CLAIMS ADMINISTRATION SERVICES**

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute an agreement between the City of Hayward and Innovation Claims Solutions, Inc. for workers' compensation administration services, a copy of which is on file with the City Clerk's office, for a three-year period (subject to annual appropriation), in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2001.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward